



The Benefit Cap: Public perceptions and pre-implementation effects

By Ipsos MORI

About the Research

The Department for Work and Pensions (DWP) commissioned Ipsos MORI to undertake a research study of public attitudes to the Benefit Cap as well as to assess some of the early pre-implementation effects on a specific group of claimants who had received additional Jobcentre Plus support prior to full implementation of the policy. Two different survey methods have been used to gather evidence on these two issues: a nationally-representative online survey among 2,017 British adults was used to assess perceptions of the general public; and a telephone survey of 500 people identified as ending an out-of-work benefit claim due to starting a job was used to assess pre-implementation effects. Fieldwork for both surveys was conducted between Friday 31 May and Wednesday 5 June 2013 inclusive.

Perceptions of the general public on the Benefit Cap

Attitudes to Welfare

An overwhelming majority (88%) agreed that *'it is important to have a benefits system to provide a safety net for anyone who needs it'*, while just four per cent disagreed. However, only 11% agreed that *'the benefits system is working effectively at present in Britain'*. Those who do not receive benefits were more likely to disagree that *'the benefits system is working effectively at present in Britain'*: more than three-quarters (76%) said this compared with 69% overall.

The survey also highlights some of the reasons for this scepticism. By a margin of 2.5 to 1, the British public said that the benefits system is too generous as opposed to not generous enough (50% against 20%). Just 16% said they thought the system gets the balance about right. The British public largely agreed (85%) that *'there are some groups of people who claim benefits who should have their benefits cut'*. By a margin of three to one, the British public also agreed that *'politicians need to do more to reduce the amount of money paid out in benefits'* (58% agreed, 19% disagreed). Comparatively fewer people agreed that *'benefit payments for unemployed people are too high and discourage them from finding jobs'*, though more people were likely to agree than disagree (47% compared with 31%). These attitudes towards welfare, more generally, play an important role in shaping attitudes towards the Benefit Cap policy itself.

Claimed awareness of the Benefit Cap

Despite the comparative lack of knowledge about the Benefit Cap (at the time the fieldwork was done the policy had not been rolled out nationally), many respondents still felt able to express support or opposition for the policy. Respondents were asked how much they knew about the Benefit Cap before the survey. Three in ten (30%) said they knew a great deal or fair amount about the policy, while 42% said they knew just a little. A further 18% had heard of the policy but knew nothing about it, while 8% had never heard of it. By comparison, nearly half (49%) said they knew a great deal or fair

amount about the changes to Housing Benefit for working age tenants living in social housing who have more bedrooms than they need (removal of the spare room subsidy), before they completed the survey, though that policy was already nationally rolled out.

Support for and opposition to the Benefit Cap

In principle, 73% of the British public said they support the Benefit Cap, and 12% opposed it. On the second measure of a Cap set **at £26,000**, results remained largely the same, with support at 70% and opposition at 13%. When asked why they would oppose the Benefit Cap at £26,000 a year, the most common response from those who opposed the policy was that there should not be a cap (5% of all respondents surveyed said this). A similar proportion (4% of all respondents) said they believe the Benefit Cap has been set too high. The third measure explained the Benefit Cap in terms of *'the average amount which working households earn per year after tax'*. Once again, a majority of the public supported the Cap, with 67% expressing support and 12% in opposition.

One of the key characteristics of the British public's attitude towards the policy was the strength of support. Another characteristic of support for the Benefit Cap was that many who knew little or nothing about the policy before completing the survey still expressed an opinion (largely in support of it). This suggests that the policy is one which the British public is able to identify with, even those with limited awareness. Further analysis of survey responses indicated widespread support for the Benefit Cap across all key demographic groups.

Attitudes to possible impacts of the Benefit Cap

Potential impacts of the Benefit Cap

The survey asked respondents whether support or opposition to the Benefit Cap would change if a number of possible impacts (both positive and negative) were realised after implementation. Generally, support for the Cap remained strong if it resulted in reduced Government spending

on benefits (67% supported; 9% opposed) or encouraged those affected to take low paid jobs (60% supported; 14% opposed). Support did, however, weaken if the policy required people to spend less on household essentials (49% supported; 22% opposed) or move to cheaper accommodation in alternative areas (44% supported; 26% opposed), though net support (support minus oppose) still remained positive.

Fairness of the Benefit Cap

While most agreed that capping benefits *'is fair if it means that households with no-one in work cannot receive more in benefits than the average amount working households receive in pay after tax'*, respondents were almost evenly split when asked if they thought that capping benefits *'is unfair on those claimants living in areas where housing costs are high'*, that is to say where its impacts are felt closer to home.

Responses to the Benefit Cap

Respondents were given four possible actions that those affected by the Benefit Cap could potentially take in response, and asked whether they felt those people should or should not be prepared to take those actions. In this context, 80% thought those affected should *'find ways of reducing their living costs and bills'* compared with 9% who said they should not have to do so. Seven in ten (70%) said that those affected should *'be prepared to find new or alternative work or work more hours'*, while 12% said they should not. A much smaller proportion – 51% – said that those affected should be prepared to *'move to a similar size property in a cheaper area'*, while 25% said this was not a reasonable expectation. However, the British public did, on balance, think that people should be prepared to move to a cheaper property (65% should, 17% should not).

Pre-implementation effects of the Benefit Cap

The characteristics of survey respondents

At the time of the survey, a majority of those surveyed said they were in work: in total 87% said they are in either full-time or part-time employment, or were self-employed. Within this

group, around two in five (39%) said they either worked full-time (more than 29 hours per week) or were self-employed. Over half of respondents (55%) said they were in part-time employment (between 16 and 29 hours per week). The remaining seven per cent said they were working part-time, fewer than 16 hours per week.

General attitudes of respondents to work and benefits

Respondents were asked some general attitudinal questions about access to work in their local area. Seven in ten (70%) agreed that they had *'sufficient skills and experience to compete for jobs in my local area'*. However, more than six in ten (62%) disagreed that *'there is a good supply of jobs in my local area'*, a statement with which fewer than three in ten agreed (29%). Thus, while the vast majority were confident in their ability to compete for work, many perceived there to be a lack of jobs in their local area. Those who categorised their working lives as less frequently in employment were also less confident about their ability to find work.

More than a third of respondents (37%) agreed they *'would be willing to move home away from my local area in order to find work'*. Of those willing to move to find work, more than half (54%) would be prepared to move further than 10 miles and 39% said they would move more than 20 miles.

Knowledge and awareness of the Benefit Cap

In order to test awareness of the Benefit Cap, respondents were asked how much, if anything, they knew about the changes. Most (84%) said that they have at least heard of the changes, while the remaining 15% said they have never heard of them. However, only around one-third (34%) said they knew *'a great deal'* or *'fair amount'* before starting to complete the survey, with 31% who said they knew *'just a little'*. Of those who did not remember receiving notification, a quarter (25%) were aware before taking part in the survey that they would be affected by the Benefit Cap. Thus, a total of more than two-thirds (68%) recalled either receiving written notification or were aware that they would be affected by the Benefit Cap.

At the time of the survey there appeared to be greater clarity over whether respondents would be affected by the Benefit Cap or not. Just under a quarter (24%) said they did not know whether they would be affected or not, whereas 76% said they either would or would not be affected. However, appropriate caution should be exercised here. Of the 34% of respondents who said they would be affected, 82% also said they were in some form of employment. Those who said they would not be affected by the Benefit Cap (41% of all respondents), largely believed this was the case because they had found employment (74%).

Clarity and sources of information

The 57% of respondents who did remember receiving notification were asked about the effectiveness of that communication. While more than half (54%) agreed that the notification they received was easy to understand, nearly two in five (37%) said they thought it was difficult to understand.

Potential effects of the policy

Respondents were asked to indicate whether they took any actions once they were notified or became aware they would be affected.¹ Two-thirds (68%) of survey respondents either remembered receiving notification, or if not, were aware that they were affected before taking part in the survey. Those respondents were asked if they had taken any action after they were first

¹ In presenting and interpreting this analysis there are a number of important facets to take into account. Firstly the survey is reliant on respondents who in some cases are recalling events that may have occurred up to a year ago. It is also important to remember that the survey is targeted at a specific group of claimants identified at the time as being no longer affected rather than all people expected to be affected by the Benefit Cap. It is possible that this particular group may be more pre-disposed to taking action (for example because they are more accomplished in the workplace or because they live in areas with better access to employment opportunities). In the absence of a baseline or control group to compare responses against, attributing a change in response to notification or awareness of being affected is more limited.

notified or became aware. There was an almost even split between those who said they took no action (48%) and those who said they did take some form of action (47%).

Among those who said they did take action, 62% said they looked for a job. One in seven (16%) sought advice on the Benefit Cap, while 11% looked to supplement their income through other work-related activities (such as increasing the number of hours in a current job).

This means that, overall, 29% of people who remembered receiving notification or were aware that they were affected by the Benefit Cap said they looked for a job after they were first notified or became aware. This equates to 20% of all respondents surveyed. Of this group, 14% said they were not actively looking for work before they were notified or became aware of being affected (equivalent to 3% of all respondents surveyed). It is not possible to say whether awareness of being capped prompted an intensification of job search activity or not for those already looking for work.

Among those who took action after receiving notification or becoming aware, the most common reason cited for doing so was to *'avoid the Benefit Cap to avoid a drop in household income'* (37%). More than a quarter said they took action because they were *'offered help in finding work'* (27%).

It is important to note that the analysis does not demonstrate a causal link between notification or awareness and moving into work, but, with the caveats about the research noted above, does highlight a potential relationship.

Feeling financially better off in work: does work pay?

Respondents who were in work at the time of the study and either remembered receiving notification that they would be affected by the Benefit Cap or were aware they would be affected, were asked about their perceptions of being financially better or worse off in work when they first found out and how they felt currently.

After first being notified or becoming aware that they would be affected, a majority (62%) of those in work at the time of the study thought they would be financially better off or about the same in work before they found a job. Among this same group of respondents, this proportion rose to three-quarters (76%) who said they felt financially better off or about the same having found employment, an increase of 14 percentage points. There were very few differences in sentiment between demographic groups with regard to feeling financially better off or worse off in work.

© Crown copyright 2013.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 909532 74 8. Research Report 850. October 2013).

You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

Other report summaries in the research series are also available from the website above.

If you would like to know more about DWP research, please email: Socialresearch@dwp.gsi.gov.uk